

# Exhibit II

2 minute read July 14, 2022 4:58 AM EDT Last Updated 4 months ago

# Major crypto lender Celsius files for bankruptcy

By Maria Ponnezhath and Tom Wilson



**[1/2]** Celsius logo and representation of cryptocurrencies are seen in this illustration taken, July 7, 2022. REUTERS/Dado Ruvic/Illustrations


1 2



July 13 (Reuters) - U.S. crypto lender Celsius Network said on Wednesday it had filed for bankruptcy in New York, becoming the latest victim in the cryptocurrency sector of a dramatic plunge in token prices.

New Jersey-based Celsius froze withdrawals last month, citing "extreme" market conditions, cutting off access to savings for individual investors and sending tremors through the crypto market.

In a court filing at the U.S. Bankruptcy Court for Southern District of New York, Celsius estimated its assets and liabilities as between \$1 billion to \$10 billion, with more than 100,000 creditors. The company has \$167 million in cash on hand.



Register for free to Reuters and know the full story

Register now

---

Advertisement · Scroll to continue

---

"This is the right decision for our community and company," said Celsius co-founder and Chief Executive Alex Mashinsky.

Crypto lenders such as Celsius boomed during the COVID-19 pandemic, drawing depositors with high interest rates and easy access to loans rarely offered by traditional banks. They lent out tokens to mostly institutional investors, making a profit from the difference.

### Latest Updates

- Musk fired Twitter executives in attempt to avoid payouts, layoffs planned, reports say
- Dogecoin surges on Elon Musk's Twitter deal
- Renault-backed Beyonca EV venture touts health monitoring, targets Audi in China
- Elon Musk manages free speech versus 'hellscape' at Twitter
- Self-driving cars face uncertain path to U.S. deployment

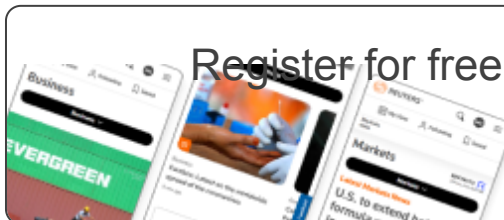
But the lenders' business model came under scrutiny after a sharp sell-off in the crypto market spurred by the collapse of major tokens terraUSD and luna in May.

Another U.S. crypto lender, Voyager Digital Ltd ([VOYG.TO](https://www.voyagerdigital.com)), filed for bankruptcy this month after suspending withdrawals and deposits.

Singapore's Vauld, a smaller lender, also froze withdrawals this month. [read more](#)

Celsius said in a statement it was not requesting authority to allow customer withdrawals, adding it had asked the court to allow it to continue operations such as paying employees.

Celsius's move in June to freeze withdrawals prompted state securities regulators in New Jersey, Texas and Washington to launch investigations into the firms. [read more](#)



Register for free to Reuters and know the full story

Register now

Reporting by Maria Ponnezhath in Bengaluru; Editing by Sherry Jacob-Phillips and Edmund Blair